

what we have emphasized is the importance of priorities. It appreciate the gentleman yielding to me.

Mr. PALLONE. I appreciate the gentlewoman for speaking up as she did. I think you are absolutely right, that one of the, if not the, major benefit from this continuing resolution was the fact that it establishes the President's and the Democrats' priorities with regard to Medicaid, Medicare, education, and the environment.

What you were saying particularly about Medicaid and Medicare, I wanted to point out, I see that our leadership is here and I want to yield to them, but I would like to point out at some point how this budget conference actually makes the situation even worse with respect to some aspects of Medicaid and Medicare. It was not an improvement. It made it worse for our area hospitals.

RESIGNATION AS MEMBER OF COMMITTEE ON SCIENCE

The SPEAKER pro tempore (Mr. BARR) laid before the House the following resignation as member of the Committee on Science:

WASHINGTON, DC,
November 18, 1995.

Hon. VIC FAZIO,
Chairman, House Democratic Caucus,
Washington, DC.

DEAR CHAIRMAN FAZIO: I hereby resign my seat on the Committee on Science.

Sincerely,

PETE GEREN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted. There was no objection.

RESIGNATION AS MEMBER OF THE COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation as member of the Committee on Small Business:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 20, 1995.

Hon. VIC FAZIO,
Chairman, House Democratic Caucus,
Washington, DC.

DEAR CHAIRMAN FAZIO: I hereby resign my position on the House Small Business Committee. This resignation is to take place immediately.

Sincerely,

PATRICK J. KENNEDY,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted. There was no objection.

Mr. FAZIO of California. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from California.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FAZIO of California. Mr. Speaker, I offer a privileged resolution (H. Res. 281) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 281

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

To the Committee on Resources: The following Members: Edward Markey of Massachusetts to rank above Nick Joe Rahall of West Virginia and Patrick Kennedy of Rhode Island.

To the Committee on Transportation and Infrastructure: The following Member: Peter Geren of Texas.

Mr. FAZIO of California. Mr. Speaker, I ask unanimous consent that the resolution be amended to put the gentleman from Texas, Mr. PETE GEREN, after the gentleman from Tennessee, Mr. TANNER, on the Committee on Transportation and Infrastructure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Without objection, the resolution, as modified, is agreed to.

There was no objection.

A motion to reconsider was laid on the table.

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Mr. PALLONE. Mr. Speaker, when I was having the dialog with the gentlewoman from Texas before, one of the things that I found out, again in response to the fact that some of my colleagues on the Republican side from New Jersey were sort of touting the changes that happened in the conference with regard to Medicare funding, what they were saying was that \$55 million in additional money would be coming to New Jersey hospitals because of changes in Medicare.

What I found out was particularly disturbing to me because of the inequities of the formula that had been put into the conference bill. Essentially, what the formula said was that if a hospital in New Jersey, and of course this is throughout the country, so it applies in every State, if a hospital had more than 60 percent, 60 percent or more Medicare patients, it was going to get a small increase in its reimbursement rate for Medicare.

But then on further discovery, I found out that that was only true if the hospital was not a disproportionate share hospital or a teaching hospital. A disproportionate share hospital is a hospital that has a high number of Medicaid patients, in other words, low-income patients, or patients that receive Social Security disability benefits. Of course, the teaching hospital is a major institution that provides teaching to residents and to young doctors; and which also tends, in many cases, many of the teaching hospitals, happen to be in urban areas.

So what essentially this new formula said was, in my interpretation, if you have a high number of seniors at your hospital, we are going to give you extra money, but not if those seniors happen to be low-income seniors or if they happen to be people who are receiving So-

cial Security disability, or other types of low-income individuals. That is an incredible inequity.

Here we have some of the major teaching hospitals, which serve the underprivileged, disproportionate share hospitals that serve large numbers of poor people, and have the greatest need for help from the Federal Government in terms of their reimbursement rate, and they are being cut at the same time as the hospitals who have a high number of Medicare patients, but do not have a lot of poor people, are being given an increase. That really says a lot about the way Speaker GINGRICH and the Republican leadership have gone about dealing with this bill.

It is not fair; there are a tremendous number of inequities in this bill.

Mr. Speaker, with regard to Medicaid and, again, talking about my home State of New Jersey, my colleagues were touting the fact that there was an increase from Medicaid funding to New Jersey of something like \$200 million, largely because now the effort or the services that you provide to illegal immigrants were going to be included, whereas they had not been in the original bill.

But what they fail to point out is that New Jersey loses \$6 billion in Medicaid funding over the next 7 years under this Republican budget. So here we have some slight increase, because you are serving illegal aliens, of \$200 million, but a shortfall overall of \$6 billion.

This prompted one of my local newspapers, the Home News and Tribune, to write an editorial which I would like to quote from briefly. They said, and they complimented Governor Whitman because she had tried to get some extra money for Medicaid in part of this conference. But then they said that the latest GOP plan still doesn't do enough to help needy New Jersey residents.

The new game plan would leave New Jersey with almost \$6 billion less than the State would have received under existing law. The undeniable fact is that New Jersey still takes a big hit.

So whether you talk about Medicare or you talk about Medicaid, the bottom line is that, around the country, both programs suffer considerably, and in many ways will not be the type of quality health care programs that they are now.

Before I finish, I wanted to go into two other aspects of this Republican budget bill that I find very objectionable. The gentlewoman from Texas [Ms. JACKSON-LEE] mentioned both of them. I just want to get into a little more detail about how this conference bill, the one that we voted on today and that I oppose, specifically affects certain education programs and certain environmental programs.

The most negative impact in terms of higher education is on what we call the direct student loan program. The Republican proposal basically caps direct student loans at 10 percent of total loan volume. What we know that this

is going to do is to force up to 1,000 colleges and universities out of the direct student loan program and cut the number of direct student loans that actually go to students by 1.9 million. So 1.9 million students probably will not have access to these loans and 1,000 colleges and universities will be cut from the program because of this 10-percent cap.

Some people, though, have said to me, well, so what? We do not have a direct student loan program; we can go back to the old guaranteed student loan program that the banks used to operate and still operate under. Why do we need the direct student loan program? I would point out that the direct student loan program, of course, comes directly from the college or university, as opposed to the guaranteed loan program, which is financed; you go to a bank or a loan institution.

Well, there is a key difference, there is a key difference, and this is why so many students will not be able to get a loan and why so many colleges are complaining about this change and this downgrading of the direct student loan program.

One key advantage of direct loans over guaranteed loans is that the direct loans create more flexible repayment terms. Direct lending guarantees students the option of paying their loan back as a percentage of their income. When graduates are starting a family, working in their first job or starting a business, they can choose to make smaller payments. Guaranteed loan holders in the vast majority of cases do not provide this kind of flexibility.

Also, and this is the experience that I can talk to directly because Rutgers University in my district was one of the schools that first started with the direct student loan program and has had tremendous success with it, students have found that their loan money comes through faster under direct loans. There is just a lot less red tape.

Direct loans provide one-stop shopping for students. Borrowers make single loan payments to the Education Department for the life of the loans. The application process is simpler. Students do not have to submit a separate loan application to a bank and students do not wait in lines to endorse bank checks because schools receive the loans electronically from the Federal Government.

There are a tremendous number of reasons, and I do not want to keep talking about them all night, about why this direct loan program has been such a success. But I would like to look at it from the other point of view, which is why is it that the Republicans want to go back to the other guaranteed loan program administered by the banks? For what possible reason?

Well, I would maintain it is because of the special interest groups that are involved. They are the only winners, okay? Just to quote here from the New York Times, and then I would like to

yield to the gentlewoman from Texas, the guaranteed student loan program as always been a favorite program for the Nation's banks. The New York Times pointed out in an editorial recently that, "Banks have long treasured the guaranteed student loan program which offers profits with much less risk than they have on the direct loan program ever since it was created in 1993 as unwanted competition."

Here we go. We are going back to this other program where we have to go through the banks, only that they can make a profit. There is no benefit. And from my own experience with Rutgers University and what the administrators there are telling me, the direct loan program is much better.

Mr. Speaker, I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE. Again, I thank the gentleman from New Jersey, and he has plainly, I think, captured the essence of the problem, and he has captured it for his State. But in my State, the State of Texas, 41 schools will now lose the opportunity of the direct student loan program, but in particular, 57,000 students will not have that opportunity.

You have, I think, laid it out for both parents and faculty and administrators, and my husband happens to be an administrator at one of our institutions, the University of Houston in Texas. There is certainly a lot of merit.

I do not know if any of us can recall the anxiety of being a student, and now more and more students are working. They are commuters sometimes; they are constantly looking for resources in terms of helping them get their education, and there is something about the direct loan program that eases that burden. It is a clean program. The dollars are placed in the institution, you know what they are for, and it really makes sense.

If I might tie just another point to this whole question of education and students, I think it is important to note, because we look at this budget, or at least it has been raised as a budget that helps bring down the deficit and it helps bring us to the point of saving the country money.

First, I think we should note that under the Democrats, this country has the smallest number of Federal employees since 1933, before the New Deal. We are down some 200,000. And of course, my hat is off to the Federal employees who work for us and who were furloughed, because I think they were maligned unnecessarily. But they have streamlined themselves.

The other point is, this Budget Reconciliation Act is based upon numbers that now may not be accurate. That is why I am so glad of the continuing resolution that talked about OMB, it talked about consulting with other economists, it talked about other indicia that might be reflective of where we are. In fact, we are finding out that the CBO was too pessimistic, Congressional Budget Office.

We have been told to use all of those letters for people, but one group of fact-finders were too pessimistic. In fact, our growth is better than we have expected, and in fact, all of these spending cuts that they are recommending may not be necessary. The reason I say that is because we have recommendations to cut out the Commerce Department, the most successful Commerce Department, we have seen in history, that signed, I think, some 3 billion dollars' worth of contracts with China.

We have just heard that our export numbers with Japan, under the President's leadership and the Department of Commerce, have gone up some 44 percent, or maybe \$40 billion is the number that comes to mind. But that has gone up.

However, in addition to cutting the Commerce Department, which creates jobs, I tied it because we have youngsters going to college and the anxiety of getting a college education, the need of loans and then getting a job, but we are also in this budget cutting research and development 35 percent. I do not think the corporations will remind me, detailing that they have reduced their research and development departments, they are basically in a profit mode, and that most new research comes out of the partnership between the private and public sector.

For example, in universities like Rutgers University, and here in Houston, Prairie View, Texas Southern University in my community, the University of Texas, and the University of Houston has a project. But that is the way we create work for the 21st century.

So I think that we have a budget reconciliation package, we wish we had had it October 1, meeting the deadlines, but now with a new lease on life, new numbers, a continuing resolution that opens the Government, that clearly sets priorities. New information about what cutting research and development will do for us. I think we can do a better job.

VACATING AND AMENDING PROCEEDINGS ON HOUSE RESOLUTION 281, ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Ms. JACKSON-LEE. Mr. Speaker, before I yield to the gentleman, I am asked to do a procedural matter, I ask unanimous consent to amend the earlier Democratic caucus resolution, House Resolution 281, and place the gentleman from Texas, Mr. PETE GEREN, directly behind the gentleman from Illinois, Mr. COSTELLO, on the Committee on Transportation.

The SPEAKER pro tempore. Without objection, the adoption of House Resolution 281 is vacated, and without objection, the resolution is readopted in the form as requested by the gentlewoman from Texas [Ms. JACKSON-LEE].

There was no objection.

PERSONAL EXPLANATION

Mrs. KENNELLY. Mr. Speaker, I thank the gentleman from New Jersey

[Mr. PALLONE] and the Congresswoman from Texas [Ms. JACKSON-LEE] for allowing me to take some time this evening for a personal explanation.

Mr. Speaker, on rollcall votes 701 through 713, on Wednesday, October 11 and Thursday, October 12, 1995, I was unavoidably absent.

On rollcall vote 701, the Scott amendment to H.R. 2405, the Omnibus Civilian Science Authorization Act, I would have voted "yes."

On rollcall vote 702, the Jackson-Lee amendment, I would have voted "yes."

On rollcall vote 703, the Richardson substitute to the Roemer amendment, I would have voted "yes."

On rollcall vote 704, the Roemer amendment, I would have voted "no."

Rollcall vote 705 was a quorum call.

On rollcall vote 706, the Doyle substitute to the Walker amendment, I would have voted "yes."

On rollcall vote 707, the motion to recommit to conference committee H.R. 1976, the fiscal year 1996 agriculture appropriations, I would have voted "yes."

On rollcall vote 708, adoption of the agriculture appropriations conference report, I would have voted "yes."

On rollcall vote 709, the Lofgren amendment to the science authorization, I would have voted "yes."

On rollcall vote 710, the Kennedy amendment, I would have voted "yes."

On rollcall vote 711, the Brown amendment, I would have voted "yes."

On rollcall vote 712, the Brown substitute, I would have voted "yes."

On rollcall vote 713, final passage of the science authorization, I would have voted "no."

Mr. Speaker, I thank my colleagues for yielding to me.

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I thank the gentleman from New Jersey for bringing these very vital points. It just caused me to think of an array of opportunity that we now have to really look at the budget that now can reflect on some new economic numbers, on the gross domestic product. It can reflect upon where we want to go in the 21st century.

Do we really want to cut research and development? Do we want to eliminate housing for people who are now getting on their feet, first-time owners, single parents with children who are getting to be homeowner? Do we want to take away a department, for example, I use that just as an example, even though we have brought down the number of Federal employees, that actually has created billions of dollars of new contracts with our world partners, that has created and would create jobs for our young people?

I thank the gentleman for yielding.

Mr. PALLONE. I want to thank the gentlewoman again for emphasizing those priorities that are now in that continuing resolution.

The last one that I wanted to mention, and the one she has already mentioned, is in regard to the environment. Again, the President reiterated that

one of the problems that he has with this Republican budget that was adopted today is that it cuts funding or assumes cuts in funding for environmental programs too much.

Perhaps the best example of that, again, which was alluded to by the gentlewoman, was this appropriations bill. We call it the VA, HUD and other independent agencies appropriations bill, which was supposed to come up today but was pulled from the floor, apparently because the Republican leadership does not have the votes. I want to say thank you for the fact that they do not have the votes because this is a very bad bill, particularly with regard to the Environmental Protection Agency.

What it does with regard to the EPA is essentially decrease EPA funding by about 20 percent. In that funding cut, amongst the money that has been cut, the hardest hit is enforcement, which is cut almost 25 percent.

I have said over and over again on the floor of this House, and will continue to say, what is the point of having good environmental laws if you do not have the money to hire people to go out and enforce those laws? It is like basically saying to the polluters, "It's OK, you can do whatever you want, because we're not going to come after you, we're never going to indict you or punish you for violating the law." That is essentially what this bill says.

It also makes particularly deep cuts in aid to the States for water pollution control. I find that particularly offensive because my district is largely along the Atlantic Ocean and also along the Raritan Bay and Raritan River, and we have benefited tremendously the last few years from Federal funding for upgrading our sewage treatment plants and for other provisions that make it easier for us to enforce our water quality standards.

As a result, in Jersey and particularly in my district the ocean water quality has improved, the bay has improved and the river has improved. That has meant a lot to us economically because we depend on tourism for a good part of our income.

Back in the late 1980's when I was first elected to the House of Representatives, we had our beaches closed for most of the summer because of the poor water quality. That has not happened again because the water quality has improved, and largely because of Federal dollars that went back to the States for water pollution control and also because of improvements in enforcement.

The last thing that this appropriation bill does that I want to mention, it does a lot of horrible things to the environment, but another one that is particularly important to my district and something that I care a lot about is the Superfund Program. It is a number of years ago now that the Federal Government established a Superfund Program, which is essentially what it

is, a Superfund, a large pot of money that is used to clean up the worst hazardous waste sites around the country in all 50 States.

This appropriations bill that gladly was pulled from the floor today, but I am sure is going to come back, it makes a 19-percent cut in funding for the Superfund Program. What that essentially means is that the only sites that will be cleaned up are the ones that are already on the Superfund list. In fact, it actually says that the EPA cannot add a new hazardous waste site to the national priorities list for clean-up unless the State's Governor requests it.

So basically what they are trying to do here, what the Republican leadership is trying to do, either through this appropriation bill or ultimately when they reauthorize the Superfund Program, is to basically say, "This is a closed shop. We're not going to establish any more Superfund sites," in an effort to try and save money.

That is not the way to go about handling a program which has been very important to many States, particularly in my home State of New Jersey, and it is also not a very rational or scientific way to proceed to simply say, "Well, if you didn't get on the list now, we're not going to put you on the list anymore because we don't have any more money to pay for cleanup."

Mr. Speaker, I would just like to conclude by saying I know that this budget bill passed today. It is a bad bill. The President is going to veto it. As the gentlewoman from Texas said, we hope that in the continuing resolution we establish the priorities, which are to preserve Medicare, to provide adequate funding for Medicaid, to provide enough funding so that we can have a good Student Loan Program and that we can protect the environment.

I am hopeful that after the President vetoes this bill, serious negotiation will take place to emphasize those priorities and not use this budget as a way to simply provide more money for wealthy Americans through tax breaks.

BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. BARR). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 60 minutes as the designee of the majority leader.

Mr. SCARBOROUGH. Mr. Speaker, it is certainly great to be here today talking about what has been going on in this House in a truly historic time. This is the first time in a generation that the executive branch and the legislative branch have come together and decided that we were going to do what Americans have had to do for over 200 years, and, that is, balance our checkbook, to only spend as much money as we take in, and to stop stealing from our children and our grandchildren and future generations.